

# **FAIRFAX COUNTY POLICE OFFICERS RETIREMENT SYSTEM**



**RETIREMENT HANDBOOK  
FOR  
ACTIVE EMPLOYEES**

**JULY 2004**

## ***Introduction***

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The Fairfax County Police Officers Retirement System was established to help provide you with financial security at retirement; one of the most important long-range goals for you and your family.

This booklet summarizes your Retirement System as in effect July 1, 2004. It is not an official plan document, and is not part of your contract rights as a member of the system. You can find more detailed information in the plan documents. The plan documents include applicable provisions of the Code of Virginia and the Fairfax County Code, as well as applicable rules, regulations, and resolutions of the Board of Trustees of the Retirement System. These documents will govern in the event of any error in this booklet. The System's plan year ends June 30. Records are maintained on a fiscal year basis.

We hope you will find the information in this booklet helpful and that you will discuss it with your family. Please feel free to contact the Retirement Agency with any questions about your retirement.

### **Fairfax County Retirement Agency**

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Internet web site: <http://www.fairfaxcounty.gov/retbrd/>  
or through the County's Infoweb for employees.

*You can calculate your own estimated retirement benefit by visiting the Retirement Agency's "Do Your Own Estimate" program at <http://www.fairfaxcounty.gov/retbrd/policeregest.htm>.*

If you should need a sign language interpreter or any type of special accommodation, auxiliary aid, or translation assistance, please call the Retirement Agency at 703-279-8200 or the Virginia Relay Service at 1-800-828-1120 (TDD) or 1-800-828-1140 (voice).

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## ***Eligibility and Membership***

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You automatically become a member of the system on the day you are sworn in as a full-time police officer of the Fairfax County Police Department.

You are not eligible for membership if you are a contributing member (or are eligible to become a member) of one of the following retirement systems:

- ◆ Virginia Retirement System
- ◆ Fairfax County Employees' Retirement System
- ◆ Fairfax County Uniformed Retirement System

## ***Cost***

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The cost of providing system benefits is paid from three sources:

1. Employee contributions;
2. County contributions; and
3. Earnings from investments made with the above funds.

## **Employee Contributions**

You contribute 12% of your creditable compensation to the system.

## **Tax Treatment of Employee Contributions**

Before January 1, 1985, your contributions were automatically deducted from your paycheck. Under this method, you paid taxes on your contributions before they were paid into the system.

Since January 1, 1985, your contributions have been deducted from your pay on a pre-tax basis. These two methods of contributing differ only in the way your contributions are taxed.

Under the second method, the pre-tax contributions are not considered part of your taxable income and do not appear as such on your form W-2. You will not be taxed on these contributions until they are actually paid to you at the time you terminate employment or begin receiving benefits.

## County Contributions

Fairfax County contributes a substantial amount toward your future retirement benefits. The Board of Supervisors determines County contributions based on the most recent actuarial valuation.

## Investment Income

County and employee contributions are invested to provide additional income to the system. Investments are managed by professional investment advisors who are selected by the Board of Trustees. There are periodic changes to these investment advisors. The financial statements of the system are audited annually by an independent accounting firm and are posted for review at <http://www.fairfaxcounty.gov/retbrd/policeindex.htm> under the heading Comprehensive Annual Financial Report. Additionally, a list of the Retirement System's assets is published annually in the *Courier*.

## *Special Terms*

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Throughout this booklet, you will come across certain words or terms that are used often. Knowing what these terms mean will help you better understand your benefits.

## Creditable Compensation

Your creditable compensation includes your regular salary as listed under the County Pay and Compensation Plan, roll call pay and holiday pay. Creditable compensation in excess of \$200,000 annually, as indexed for employees hired before July 1, 1996, or \$150,000 annually, as indexed for employees hired on or after July 1, 1996, will not be included.

## Average Final Compensation (AFC)

This is the average of your creditable compensation for the 78 consecutive bi-weekly pay periods of employment that produce the highest average annual compensation for you.

For members who had merit increments deferred in FY92 and FY93, Average Final Compensation (AFC) will be calculated as though the merit increments were received when originally scheduled. For a member who is called to active duty within the member's last three years prior to retirement and is unable to use paid leave during the military leave, the compensation that the member would have received will be used in the calculation of AFC.

In determining your AFC, your unused sick leave at the time of retirement may be substituted for an equivalent period of employment as if you had continued to work at your final salary during the period of your unused sick leave. The retirement system will use the method which results in the higher retirement benefit for you.

Periods of employment while a member is on approved Family and Medical Leave Act status (FMLA) in a Leave Without Pay (LWOP) status (as defined in Section 10.15 of the Fairfax County Personnel Regulations) will not be considered breaks in service when computing AFC.

For those enrolled in the Deferred Retirement Option Program (DROP), compensation during DROP will not be included in determining your AFC.

## Creditable Service

Your creditable service determines both the amount of, and your eligibility for, system benefits.

In general, your creditable service equals your period of active membership in the Fairfax County Police Department -- from the day you are sworn in as a police officer until the day you retire or terminate employment.

In addition, you may receive credit in the following instances:

- ◆ Service-connected disability -- A period during which you receive service-connected disability retirement benefits counts as creditable service.

- ◆ Military Leave -- A period of military leave counts as creditable service if you come back to work in employment covered by the system within 90 days of discharge and while you have reemployment rights under the law. However, you cannot receive credit for military leave in the event of a dishonorable discharge.
- ◆ Accrued Sick Leave -- Your unused sick leave will count as creditable service. Each 172 hours of accrued unused sick leave counts as one month of creditable service. Service is prorated for any hours of accrued unused sick leave less than a full month of service.
- ◆ Prior Service as a Police Officer -- If you were a former member of the system and later become a member again, your prior period of membership will count as creditable service if you repay the contributions you received plus interest (from the day you received the money until you repay it). If your contributions were directly transferred to an IRA, they may be transferred back into the System to purchase the prior service. Other transfers from 457 or 403(b) plans may also be allowed.

Periods of Leave Without Pay (LWOP) while on approved Family and Medical Leave (as defined in Section 10.15 of the Fairfax County Personnel Regulations) are included as creditable service for eligibility purposes but are not included as service when benefits are calculated.

## Benefit Formula

The formula used to calculate your annual retirement benefit is equal to:

2.8%	x	Average Final Compensation	x	Years of Creditable Service
Up to the maximum benefit payable				
<i>The benefit is then increased by 3%</i>				

The maximum retirement benefit payable from the system is 86.52% (84% multiplied by 1.03) of your average final compensation. You will reach this maximum at 30 years of creditable service. The maximum retirement benefit also is subject to limits set forth in the Internal Revenue Code, Section 415.



## *Types of Service Retirement*

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Once you are eligible to retire with a normal service retirement, you have several options:

- ◆ you may apply for retirement and begin receiving a Retirement benefit
- ◆ you may enter DROP  
(Deferred Retirement Option Program) if available;  
or
- ◆ you may continue to work beyond your normal retirement eligibility, gaining additional service credit, up to 30 years of service, and have any salary increases included in the calculation of your AFC.

You may continue to work as a police officer after reaching age 55.

### **Normal Retirement**

You are eligible for normal retirement when you reach age 55. In addition, you may retire with full normal retirement benefits before age 55 if you have at least 25 years of creditable service (20 years of creditable service if you became a member of the system before July 1, 1981).

#### **Example: Normal Retirement — Age 55**

Assume you retire at age 55 with 15 years of creditable service and average final compensation of \$55,000.

		Average Final Compensation		Years of Creditable Service		
2.8%	x	\$55,000	x	15	=	\$23,100
$\$23,100 \times 1.03 = \$23,793$						
You would receive \$23,793 a year, or \$1,982.75 a month for life after you retire.						

### Example: Normal Retirement — 25 Years of Service

Assume you retire with 25 years of creditable service and AFC of \$65,000.

		Average Final Compensation		Years of Creditable Service		
<b>2.8%</b>	<b>x</b>	<b>\$65,000</b>	<b>x</b>	<b>25</b>	<b>=</b>	<b>\$45,500</b>
$\$45,500 \times 1.03 = \$46,865$						
In this case, you would be entitled to a full normal retirement benefit of \$46,865 a year, or \$3,905 a month for life.						

To estimate your own estimated retirement benefit, you can visit the “Do Your Own Estimate” page at the Retirement Agency website: <http://www.fairfaxcounty.gov/retbrd/policeregist.htm>.

## Deferred Retirement Option Program (DROP)

DROP allows you to be treated as if you retired, for purposes of the retirement plan, while continuing to work and receive a salary for a period of three years. Only members eligible for Normal Retirement may elect to enter the DROP. A DROP member may continue to work as a salaried employee while an amount equal to what the member could have received as a retirement benefit is credited to a DROP account balance. An eligible member, who elects to participate in the DROP, agrees to do so for a period of three years. The monthly benefit that will be credited to the DROP account is determined by years of service and AFC at the DROP entry date. During the DROP period, the retirement plan accumulates the accrued monthly benefit, which is payable to the member at the end of the DROP period. The member's account balance is credited at an annual rate of 5% interest, compounded monthly. At the end of the DROP period, the member MUST terminate employment with the County and will begin to receive the retirement benefit directly instead of having it credited to the DROP account balance. The retiree can receive the balance of the DROP account either in the form of a lump sum distribution, a rollover to another qualified plan (or IRA) or the retiree may add to their

monthly retirement annuity an increase of the actuarial equivalent of the lump sum balance in DROP, thereby receiving a higher lifetime monthly benefit.

**Members are eligible to enter DROP when they become eligible for Normal Retirement:**

Age 55; **or**

20 years of service, if hired before July 1, 1981

25 years of service, if hired after June 30, 1981

At the end of three years, DROP participants should complete the DROP Exit Notification form and choose how the DROP balance is to be distributed, **no less than** 60 days prior to DROP exit date, to ensure there is no disruption to their benefit payments. If a DROP Exit form is not received, the DROP account balance will be paid to the member as a lump sum, with applicable taxes withheld.

**Sick Leave and DROP** -- Employees entering DROP have the option of converting their entire sick leave balance to retirement credit or they may retain 40 hours of their total balance to have available after entering DROP. However, any sick leave balance carried forward cannot be converted to service to determine retirement eligibility.

**Continued Eligibility** -- With 60 days' notice to the Retirement Agency, members who continue to work and who do not elect to enter DROP when first eligible for normal retirement, may elect to enter DROP at the beginning of any pay period following their eligibility.

Unless the DROP is extended by the Board of Supervisors, the current end date for DROP eligibility and participation is September 30, 2008, however; DROP applications should be received by the Retirement Agency by July 30, 2008.

## **Early Retirement**

Early Retirement applies only to police officers sworn in on or after July 1, 1981.

If you became a member of the system on or after July 1, 1981, and you have at least 20 but less than 25 years of creditable service, you may retire early before age 55 with reduced benefits.

To estimate your early retirement benefit you would first determine the benefit as if you were eligible for normal retirement. Then you

would reduce it by an early retirement factor. This factor is based on your age and service at retirement according to the following table:

**Table of Early Retirement Factors**

<i>Age at Retirement</i>	<i>Years of Creditable Service at Retirement</i>				
	<i>%</i>				
	<i>20</i>	<i>21</i>	<i>22</i>	<i>23</i>	<i>24</i>
54	92.66	92.66	92.66	92.66	92.66
53	86.00	86.00	86.00	86.00	92.82
52	79.95	79.95	79.95	86.29	92.97
51	74.45	74.45	80.35	86.57	93.11
50	69.42	74.92	80.72	86.83	93.25
49	69.96	75.38	81.08	87.07	93.38
48	70.48	75.81	81.41	87.31	93.50
47	70.97	76.22	81.74	87.53	93.62
46	71.44	76.61	82.04	87.75	93.73
45	71.89	76.98	82.34	87.95	93.83
44	72.32	77.34	82.61	88.14	93.93
43	72.72	77.68	82.88	88.33	94.03
42	73.11	78.01	83.13	88.50	94.12
41	73.49	78.32	83.37	88.67	94.21
40	73.84	78.61	83.60	88.84	94.30
39	74.18	78.89	83.83	89.01	94.39
38	74.50	79.17	84.06	89.18	94.48

**NOTE:** For purposes of the above table, use your age as of your birthday that is on or prior to your retirement date. Also, use completed years of creditable service and disregard partial years. For example, if you are 50 years and 8 months old with 22 years and 4 months of creditable service, your early retirement factor would be 80.72% -- the factor for age 50 and 22 years of creditable service.

**Example: Early Retirement**

Assume you retire at age 50 with 23 years of creditable service and a final average compensation of \$60,000. Also assume you became a member of the system after July 1, 1981. You would first determine a benefit as if you were eligible for normal retirement.

		<i>Average Final Compensation</i>		<i>Years of Creditable Service</i>							
<b>2.8%</b>	<b>x</b>	<b>\$60,000</b>	<b>x</b>	<b>23</b>	<b>=</b>	<b>\$38,640</b>					
		<b>\$38,640 x 1.03 = \$39,799</b>									
If you were eligible for normal retirement you would receive \$39,799 a year. But since you are retiring early you apply the early retirement factor for age 50 and 23 years of creditable service (see table on page 8).											
You would receive an early retirement benefit of \$34,557.47 a year or \$2,879.79 a month for life starting at age 50.											

## ***Applying for Service Retirement***

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You must apply for retirement before your retirement can become effective. This is in addition to any notice you may give to the Chief of Police. Your retirement application must indicate the date on which you plan to retire.

When you apply, you should attach copies of your marriage license and birth certificates for your children under 18 to your application. Birth certificates are also required for you and your spouse if you choose to take a reduced pension that provides optional spouse's benefits.

You may get an estimate of retirement benefits from the Retirement Agency before you apply. Application forms are also available from the Retirement Agency. Please feel free to contact the Retirement Agency about any questions you may have about how to apply for benefits.

## ***Applying for DROP***

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Only those eligible for Normal Retirement can enter the DROP. DROP applications are available from the Retirement Agency and must be completed and received at the Retirement Agency at least 60 days prior to the DROP entry date requested. You can request a DROP

estimate in writing or schedule an appointment with a counselor at the Retirement Agency to have an estimate calculated. If you would like to calculate your own estimated DROP benefit, please visit <http://www.fairfaxcounty.gov/retbrd/policereregist.htm>.

Once your DROP application has been received at the Retirement Agency, a Retirement Counselor will verify your DROP eligibility. Copies of your marriage license and birth certificates for your children under the age of 18 must be attached to your application. Birth certificates are also required for you and your spouse if you choose to request an optional spouse benefit. Once your eligibility date has been verified, you should notify your supervisor of your intent to enter DROP.

Contact the Retirement Agency with any questions or if you wish to schedule an appointment.

## ***Disability Retirement***

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### **Service-Connected Total or Partial Disability Retirement**

If you become unable to perform the duties of a police officer due to a job-related injury or illness, regardless of your length of service, you may apply for a service-connected disability retirement. You or your agency may initiate the application process.

#### **Service-Connected Disability Definitions**

The Fairfax County Ordinance defines **total disability** as “the inability of the member to reasonably perform his or her duties as a police officer.” The ordinance defines **partial disability** as “the inability of the member to perform some part of the duties of a police officer, such as in administrative or desk assignments.”

*(Fairfax County Ordinance 3-7-29)*

You must apply for Workers' Compensation to be eligible for service-connected disability retirement benefits. The Board of Trustees of the Police Officers Retirement System will rule, based upon medical evidence, whether you are totally or partially disabled and whether the injury or illness was job-related. *(Fairfax County Ordinances 3-7-28, 3-7-30, 3-7-35, 3-7-36)*

## Service-Connected Disability Benefits

**Total Disability** - Your benefit with a total service-connected disability retirement is  $66\frac{2}{3}\%$  of your salary on the date of accident or personal injury. This tax-free benefit is reduced by payments you receive from Workers' Compensation. In addition, your retirement benefit may be reduced if you have outside earnings.

**Partial Disability** - If you are awarded retirement benefit for a partial disability, the benefit for a partial service-connected disability retirement is  $66\frac{2}{3}\%$  of your salary as of the date of accident or personal injury. This benefit is tax-free and is reduced by payments you receive from Workers' Compensation. In addition, your retirement benefit may be reduced if you have outside earnings.

## Non Service-Connected Disability Retirement

You may be retired on a non-service-connected disability retirement if you become totally disabled but it is not due to a job-related accident or illness or if it is due to your own negligence. No disability benefits are provided for partial non-service-connected disabilities.  
(Fairfax County Ordinances 3-7-31, 3-7-36)

Benefits for non-service-connected disability retirement are calculated as 2.8% times Average Final Compensation (AFC) times your years of service (the minimum benefit is 10% of AFC). The total is then increased by 3%. Unused sick leave may be credited as service at the rate of 172 hours of sick leave per month of service. Benefits are taxable. To continue to receive benefits, non-service-connected disability retirees must satisfy medical examinations annually for the first five years after retirement then every three years thereafter as required by the County Code. Your level of benefits may also be reduced following completion of a rehabilitation or training program, a periodic medical re-evaluation, or based on other factors which significantly affect your ability to gain other employment and compensation equivalent to your prior position as a police officer. Also, benefits cease if you return to work with Fairfax County in a retirement eligible position under the Police Officers Retirement System before your normal retirement date. You will not receive service credit while on non-service-connected disability retirement and no automatic surviving spouse and children's benefit is payable.  
(Fairfax County Ordinances 3-7-31, 3-7-32, 3-7-33)

## **Disability During DROP**

Should you become disabled during the DROP period other than as the result of a service-connected disability, the monthly benefit which would otherwise be payable to the DROP account will be paid to you and you will also be eligible to receive the balance of the DROP as of the effective date of disability.

Should you become disabled during the DROP period as the result of a service-connected disability, you have a choice of either taking the DROP account balance plus the normal service retirement benefits or forfeiting the DROP account balance and taking a service-connected disability benefit as though DROP participation had not occurred.

## **Applying For Disability Retirement**

You must apply for a disability retirement through application to the Police Officers Board of Trustees .

You are required to undergo a medical exam by your doctor to confirm that you are disabled. You may be required to undergo an independent medical examination at the Board's discretion. A second doctor, chosen by the Board, may also examine you. If the doctors disagree, they will select a third doctor to examine you. The Board will consider the findings of all doctors involved, when making its decision.

Once a year during the first five years of a disability retirement (and once every three years after that), you will be asked to provide proof of your continuing disability. The same process described in the paragraph above will be followed.

## **Disability Due to Hypertension, Heart Disease or Negligence**

Your disability will be considered to be service-connected if you become disabled due to hypertension or heart disease, unless there is competent evidence to prove otherwise. Before granting a benefit in either instance, the Board may require that you undergo a physical exam to prove that you do, in fact, have cardiovascular disease. The Board may ask you to take an exam from any doctor it chooses. You may have your own doctor present at this exam at your expense.



Your disability will be considered one that is **not** service-connected if disability is the result of:

- ◆ your gross and willful negligence,
- ◆ wanton neglect of duties and responsibilities,
- ◆ drunkenness, or
- ◆ illicit use of narcotics.

## If You Return to Work

If you start working while you are receiving a disability retirement benefit, and begin to earn more than the difference between your disability benefit and the current salary of the position from which you retired, your disability benefit will be reduced. Your reduced benefit will be combined with the amount you are earning to equal the current salary of the position from which you retired, but not taking into account roll call pay or holiday pay.

### **Example: Limits on Service-Connected Disability Benefit If You Return to Work**

If the current monthly salary of your former position is \$2,100 and you are receiving service-connected disability benefit of \$1,000 a month, you may earn up to \$1,100 a month with no change in your benefit ( $\$2,100 - \$1,000 = \$1,100$ ).

If you were to begin to earn \$1,500 a month, however, your disability benefit would be reduced to \$600. This would keep your total income at the level of the current salary of your former position ( $\$1,500 + \$600 = \$2,100$ ).

## Tax Returns

Retirees receiving service-connected disability benefits must submit copies of their federal income tax returns and W-2 forms (wage statements) to the Fairfax County Retirement Agency by May 30 of each year.

If you do not submit copies of your tax returns and W-2 forms, your disability benefit will be suspended. Your full benefit will be restored when you submit the returns and forms, as long as your outside earnings are not exceeding the allowable amount.

If you do not submit your tax returns and W-2 forms within one year after they're due, you will lose all rights to further service-connected disability benefits.

For more information on disability benefits, see page 29, "Summary of Rules and Procedures Governing Disability Retirement" at the end of this handbook.

## *Deferred Vested Benefit*

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You are eligible for a deferred vested benefit if:

- ◆ you terminate employment before you retire; and
- ◆ you have at least 5 years of creditable service; and
- ◆ you leave your contributions in the system.

If you choose to apply for a deferred vested benefit, you should notify the Retirement Agency in writing of this fact when you terminate employment. Your deferred vested benefit will begin at age 55. The formula for normal retirement determines your deferred vested benefit. In lieu of a deferred vested benefit, you have the option to request a refund of your contributions at any time prior to reaching age 55 or receiving retirement benefits.

## *Increases in Benefits After Retirement*

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Each July 1, benefits may be increased to reflect increases in the cost of living. Cost-of-living increases apply to normal, early and disability retirements; to deferred vested benefits once benefits start; and to the automatic benefits for surviving spouse and children.

The cost-of-living increase is equal to the percentage increase in the Consumer Price Index for the Washington-Baltimore, DC-MD-VA-WV area for the 12-month period ending March 31 before the increase goes into effect, up to a maximum of 4%. In accordance with the Fairfax County Code, the Board of Trustees may grant an additional COLA up to 1% if the Retirement System meets the available actuarial surplus guidelines. The cost-of-living increase will be pro-rated if you have received retirement benefits for less than a year, as follows:

<i>Number of complete months you have received benefits</i>	<i>Percentage of full increase</i>
Less than 3	0%
3, 4, or 5	25%
6, 7, or 8	50%
9, 10, or 11	75%

## ***Death Benefits***

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### **Death Benefits Before Retirement**

#### **Return of Contributions**

In the event of your death before retirement, your contributions will be paid to your beneficiary unless an automatic benefit is payable to your surviving spouse or children.

#### **Automatic Benefit for Surviving Spouse and Children**

Your eligible surviving spouse (or eligible surviving handicapped child if there is no spouse) will receive a monthly death benefit of \$1,666.77. Each eligible surviving child will receive a benefit of \$666.70 a month. However, \$3,333.53 is the maximum monthly benefit payable to all surviving family members combined. (*The numbers quoted are effective as of July 1, 2004.*) These amounts are indexed to inflation each year and include the additional 3% granted by the Board of Trustees which became effective July 1, 1995.

Your surviving spouse is the person you are legally married to, as recognized by the State of Virginia, at the time of death. Eligible surviving children include all unmarried children under 18 who are not supporting themselves. Unmarried children under age 23 may qualify if they are full-time students in an accredited college or secondary school. An eligible handicapped child is a member's natural or legally adopted child who, in the Board's judgement, is permanently mentally incompetent or permanently physically handicapped.

The benefit will continue to your surviving spouse until remarriage. The benefit will continue to a surviving child until that child marries, becomes self-supporting or reaches the age limit, whichever happens first. The handicapped child will receive the surviving child's benefit unless there is no surviving spouse. In that case the handicapped

child will receive the spouse's benefit until the handicapped child is determined to be no longer permanently mentally incompetent or permanently physically handicapped. Each July 1 these benefits will be increased to reflect increases in the Consumer Price Index.

### **Optional Benefit for Family If Death Occurs in the Line of Duty**

If you are killed in the line of duty, your surviving spouse (or surviving handicapped child if there is no surviving spouse) may, **instead of** the automatic benefit, elect to receive a benefit of  $66\frac{2}{3}\%$  of your regular salary at the time of death. This benefit is then increased by 3%. Once this election is made, it cannot be revoked.

If elected, the optional benefit will be paid to your surviving spouse until he or she remarries (or to the surviving handicapped child as long as that child is determined to be permanently mentally incompetent or permanently physically handicapped). If there are any eligible surviving children at the time of the remarriage, they will be entitled to receive automatic monthly benefits as described above.

#### **Example: Death Before Retirement -- Optional Family Benefit**

Assume you are killed in the line of duty and your surviving spouse elects the optional family benefit. If your monthly salary at the time of death is \$5,000, your spouse is entitled to:

$$66\frac{2}{3}\% \times \$5,000 \times 1.03 = \$3,433.33$$

In this case, your spouse would receive \$3,433.33 a month until remarriage.

### **Death During DROP**

In the event of your death during the DROP period, the benefits for your spouse will depend on whether your death was in the line of duty and what Joint and Contingent Spouse and Handicapped Child option you elected when you entered DROP.

If your death is not service-connected, your spouse will be eligible for the same benefits that would have been payable had you retired, plus the accumulated DROP balance.

If your death occurs in the line of duty, your spouse will have the option of receiving benefits as though you had never entered DROP, or receiving the DROP balance plus benefits based on the Joint and Contingent Spouse and Handicapped Child option you selected when entering DROP.

You **MUST** make a Joint and Contingent Spouse and Handicapped Child election at the point at which you enter DROP. **You may NOT defer** a Joint & Last Survivor decision to the end of the DROP period. Regardless of whether your death is service-connected or not, the automatic death benefit is payable.

## Death Benefits After Retirement

### Return of Contributions

In the event of your death after retirement, your contributions less any system benefits you received before death will be paid to your beneficiary unless a benefit is payable to your surviving spouse or children.

### Automatic Benefit to Surviving Spouse and Children

An automatic death benefit will be paid to your eligible surviving spouse and children in the event of your death after a service retirement, or retirement for a service-connected total disability. It is not payable if your death occurs while you are receiving a non-service connected or a deferred vested benefit.

The rules regarding eligibility for this death benefit are the same as for the automatic benefit payable to a spouse and children for your death before retirement. The amount of the benefit is also the same -- \$1,666.77 a month for a spouse and \$666.70 a month for each child, with a maximum monthly benefit of \$3,333.53. *(These benefit amounts are as of July 1, 2004.)*

## Joint and Contingent Spouse and Handicapped Child Option

At retirement, you may elect a Joint and Contingent Spouse and Handicapped Child Option that will provide a benefit for those survivors in the event of your death. Once you make this election you cannot revoke it.

If you make this election, you will receive a reduced retirement benefit. After your death, your surviving spouse (or eligible handicapped child) will receive 100%, 66<sup>2</sup>/<sub>3</sub>%, or 50% of the benefit you were receiving just before your death, depending on the option you chose. This would be in addition to the automatic monthly benefit payable to your surviving spouse.

The amount of reduction to your benefit depends on the difference between your age and your spouse's (or handicapped child's) age and on the percentage of your benefit that your spouse will receive. The Retirement Agency can give you additional information about how the Joint and Contingent Spouse and Handicapped Child Option affects the amount of your benefit.

**Example: Death After Retirement -- Joint and Contingent Spouse and Handicapped Child Option**

Let's assume you take a normal retirement at age 55 and your unreduced normal retirement benefit is \$3,600 a month. The table on the following page shows the benefit that would be paid to you prior to your death and your surviving spouse after your death if you elected a 100%, 66<sup>2</sup>/<sub>3</sub>%, or 50% Joint and Contingent Spouse and Handicapped Child Option.

Remember that the Joint and Contingent Spouse and Handicapped Child Option is payable in addition to the automatic benefit and it is payable for life.

<b>Spouse Age 55 - Same Age</b>		
<i>Percentage of Your Benefit to Continue to Your Spouse</i>	<i>Your Reduced Benefit</i>	<i>Joint and Last Survivor Benefit</i>
0%	\$3,600	\$ 0
50%	3,352	1,676
66 <sup>2</sup> / <sub>3</sub> %	3,315	2,210
100%	3,211	3,211
<b>Spouse Age 65 - 10 Years Older</b>		
0%	\$3,600	\$ 0
50%	3,460	1,730
66 <sup>2</sup> / <sub>3</sub> %	3,460	2,307
100%	3,427	3,427
<b>Spouse Age 45 - 10 Years Younger</b>		
0%	\$3,600	\$ 0
50%	3,244	1,622
66 <sup>2</sup> / <sub>3</sub> %	3,172	2,115
100%	2,995	2,995

## **Naming a Beneficiary**

When you join the system, you will be asked to name one or more beneficiaries to receive benefits in the event of your death. You may name anyone you wish. If you name more than one person, each person will share equally in the total amount payable.

You can change your beneficiary designation at any time by giving written notice to the Retirement Agency. Forms for naming or changing beneficiaries are available from the Retirement Agency. If you do not name a beneficiary, payment will be made to your estate.

## ***Withdrawal of Contributions***

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The County Code does not permit loans from your retirement account, partial withdrawals of employee contributions, or withdrawals of County contributions. Withdrawal of contributions may only be made upon termination of employment. Any member who elects to withdraw his or her contributions is no longer eligible for any benefits from the Retirement System.

## **If You Are NOT Eligible For Benefits**

If you are not eligible for a retirement benefit or a deferred vested benefit when you terminate employment, it is recommended that you withdraw your contributions. Payment is not automatic. A withdrawal of contributions must be requested in writing within two years of separation of service. Payment will be made within 90 days of your last check as an active employee. Payments may be made by check to you or can be transferred directly to an Individual Retirement Account (IRA) or to another qualified retirement plan.

## **If You ARE Eligible For Benefits**

If you are eligible for a retirement benefit or a deferred vested benefit when you terminate employment, you have two choices:

- ◆ you may withdraw your contributions (either as a refund or a direct transfer to an IRA or other qualified retirement plan), in which case you will not be entitled to any future benefits from the system, or

- ◆ you may leave your contributions in the system and receive monthly retirement benefits immediately, or monthly deferred benefits starting at age 55.

You must make any request to withdraw contributions in writing, and send it to the Board of Trustees. You may not withdraw your contributions after you begin to receive monthly benefits from the system.

## Taxation of Withdrawals

Currently, any part of your account that consists of pre-tax contributions will be taxed as ordinary income the year you receive it, and may also be subject to an additional 10% penalty. Taxes will be based on the federal and state tax laws in effect at the time of distribution. Refunds not transferred directly to an Individual Retirement Account (IRA) or other qualified retirement plan will have 20% withheld for federal taxes and, unless certain conditions are met, another 4% for Virginia state taxes. See page 24 -- "How Are Benefits I Receive From The System Taxed?" -- for more information.

## Assignment of Benefits

Your benefits under the plan cannot be assigned and are not subject to garnishment or attachment, except to the extent permitted by law for child and/or spousal support, Qualified Domestic Relations Orders (QDRO), or tax levys.

## *Social Security Benefits*

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Social Security taxes are not withheld from your Fairfax County salary as a police officer. You may still be eligible to receive benefits from Social Security if you had any other employment during which you did pay into the Social Security System.

Social Security benefits are based on the amount of your lifetime earnings that are subject to Social Security taxes.

For more information, you may want to contact Social Security.

**Social Security Administration**

1-800-772-1213

<http://www.socialsecurity.gov>



## ***Medicare Benefits***

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You may be entitled to Medicare benefits when you reach age 65 (or earlier if you are totally disabled). Medicare pays a significant portion of physician and hospital fees. Information on Medicare can be found at [www.medicare.gov](http://www.medicare.gov).

## ***Additional Retirement System Information***

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### **Home Address**

It is important that you keep the Retirement Agency informed of any change in your address after you retire or terminate, so that you will receive your refund or benefit check and any information about the system that is sent to you. If we do not have a current address, items sent to your old address may be returned and the Retirement Agency will not be able to contact you.

### **Retirement Systems Administration**

The Fairfax County Police Officers Retirement System is administered by a Board of seven Trustees as follows:

- ◆ Rodney G. Leffler, Stuart H. Rakoff, and Forrest E. Williams were appointed by the Board of Supervisors;
- ◆ First Lieutenant Erin Flaherty Schaible, President, and Captain Josiah Larry Moser, III, Vice President, were elected by the active members of the system;
- ◆ James R. Dooley, Jr. is the Fairfax County retiree elected by the retired members of the System; and
- ◆ Robert L. Mears, the County Director of Finance is an ex-officio trustee and is the Treasurer of the Board.

#### **System Administration - Staff**

- ◆ Lurnz A. Swartz, Executive Director
- ◆ Philip R. Langham, Retirement Administrator
- ◆ Jeffrey A. Willison, Investment Manager

Since members of the Board change from time to time, current members' names will be published in the *Courier* annually and listed on the website at [www.fairfaxcounty.gov/retbrd/policeindex.htm](http://www.fairfaxcounty.gov/retbrd/policeindex.htm). You may contact Board members in writing through the Retirement Agency.

Duties of the Board include administering the system of retirement, disability, and death benefits for the active and retired members of the system, as well as directing the investment of plan funds. The Board meets monthly, normally on the second Wednesday of each month. Board meetings are open to all employees and members of the public.

The Board employs consultants and appoints an Executive Director who serves at the discretion of the Board and is responsible for the retirement system's administrative staff. The Executive Director, Lurnz A. Swartz, who may be reached at the Fairfax County Retirement Agency, has been designated as the Board's agent for the service of legal process.

## ***Frequently Asked Questions About the System***

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### **? How Far in Advance Should I Apply For Retirement?**

You should apply at least one month before the day you want to retire. At that time, you should send a letter of retirement to the Chief of Police. We encourage you to contact the Retirement Agency to arrange an appointment. When you have your appointment at the Retirement Agency you should bring with you a copy of the letter you sent to the Chief and a completed Retirement Application.

You should also bring copies of your marriage certificate and birth certificates for dependent children under age 18. In addition, if you want to provide for an optional Joint and Contingent Spouse and Handicapped Child benefit (see page 17), you should also bring birth certificates for yourself and your spouse (or handicapped child if there is no spouse). During your appointment a representative of the Retirement Agency will review your retirement options with you and answer your questions.

## ? When Will I Get My First Check?

Retirement benefits are paid once a month on the last business day of the month. You will receive your first check at the end of the first full month in which you make no contributions to the Retirement System. Since your first check will include all retirement benefits earned from your date of retirement, it is often larger than subsequent checks. For instance, if you retire September 10, you will receive your first retirement check the last business day of October. The check, however, will include your retirement annuity for October and the portion of September after you retired.

## ? Can I Have My Benefit Check Deposited Directly With a Financial Institution?

Yes. Direct deposit is required for new retirees. You can arrange to have your benefit check deposited directly to a financial institution of your choice. Complete and return the Direct Deposit Authorization form to the Retirement Agency.

## ? Does It Make Any Difference When I Retire During the Year?

There are several things you should consider in deciding when you want to retire during the year.

**Cost-of-Living Adjustments:** If your retirement is effective on or before July 1 of a particular year, you would be entitled to a full cost-of-living adjustment to your retirement benefit on July 1 of the following year.

**Regular Salary Increases:** If you are on the active payroll on or after July 1, your regular salary will reflect any increases after they are paid to you. The increase will be taken into account for purposes of pay for annual leave, holiday pay and compensatory time. In addition, in calculating AFC, accrued sick leave would be valued at the new regular salary rate. So, if you retire on or after July 2, your new regular salary rate would have to be paid to you to be reflected in determining your average final pay for pension purposes, and you would not receive the full cost-of-living adjustment to your pension the following July 1.

**Timing of Receiving Certain Payments:** If you're thinking about retiring toward the end of the year, you should keep in mind that you will receive any leave payouts for which you may be eligible, on the payday following your last payday as an active employee. Depending

on your situation, you may want to choose your retirement date so this payout is made in the following tax year as opposed to receiving it in the same tax year as the effective date of your retirement. Call the Payroll Division in the Department of Human Resources for additional information.

### ? **Is the System Also Responsible for Administering Workers' Compensation?**

No. Payments from Workers' Compensation and the Retirement System come from different sources. So if you are entitled to benefits from both Workers' Compensation and the Retirement System at the same time, you will be getting two separate checks.

### ? **How Are Benefits I Receive From the System Taxed?**

The contributions you made prior to January 1, 1985 have already been taxed. You will not owe taxes on these contributions when they are returned to you, whether in monthly benefit payments or in a lump sum when you leave employment.

The portion of your retirement benefit which represents employee pre-tax contributions and employer contributions (anything in excess of contributions made prior to 1/1/85 except post-tax contributions which paid for prior service purchases) is subject to federal tax when it is paid to you. Virginia state taxes may also apply.

In addition, your tax liability depends on whether you receive your benefits in monthly payments or a lump sum withdrawal of contributions.

**Monthly Payments** -- Each monthly payment is made up of pre-tax employee contributions and employer contributions. If you made contributions before January 1, 1985, each monthly payment will also contain a portion of your after-tax contributions. This means most of your benefit will be subject to federal and Virginia State tax starting with your first benefit check.

**Withdrawal of Contributions** -- If you withdraw your contributions before reaching age 55, and request payment directly to you, the payment will be subject to regular income tax, plus an additional 10% IRS penalty. This additional penalty will not apply if the money is distributed due to termination at age 55 or later, disability, or death. It also does not apply to any contributions you made before January 1, 1985.

You can postpone paying taxes on withdrawal of contributions by directly transferring the taxable portion of the payment into an Individual Retirement Account (IRA) or another tax-qualified plan.

You can postpone paying taxes on refunds that were not directly transferred but were paid to you if you roll over the entire amount you receive (plus an additional amount to equal the mandatory 20% which was withheld for federal taxes) into an IRA or into another tax-qualified plan within 60 days of receiving payment. If refunds are transferred or rolled over, you will be required to pay taxes only when you receive the money from your IRA or other tax-qualified plan.

Because tax laws are complicated and change frequently, you may want to talk to a professional tax advisor before receiving a payment from the plan.

If you live outside of Virginia, you should contact the state and local tax agencies where you live to determine if your retirement benefits are taxable.

### **? Is Benefits Counseling Available?**

Yes, we feel that an educated member will be able to make decisions confidently.

As your retirement date nears, you will be faced with decisions you may find difficult to make. Even though the various retirement options are described in this handbook, a counseling session with one of the Retirement Agency staff offers a chance to discuss your options and provide you with a benefit estimate that may help you select the retirement option that is best for you. Currently, written requests are required for estimates to be sent to members. You may request an "Estimate Request" form be mailed to your home or you can print a form by visiting [www.fairfaxcounty.gov/retbrd/estimateform.pdf](http://www.fairfaxcounty.gov/retbrd/estimateform.pdf).

The Retirement Agency offers workshops for members of the System to help employees understand their County retirement benefits. The workshops are open to all County employees and two of them allow space for spouses/significant others and are offered several times a year. For more information, please visit the Retirement Agency's training website at [www.fairfaxcounty.gov/retbrd/ret\\_training.htm](http://www.fairfaxcounty.gov/retbrd/ret_training.htm).

In addition to the workshops offered by the retirement Agency, the Police Department regularly offers a pre-retirement seminar to help police officers prepare for retirement.

## **? Can I Work For Fairfax County Government After Retiring?**

There are restrictions on re-employment with Fairfax County. Please refer to the Personnel Regulations to determine the answer to this question in your specific circumstances. Refer to Procedural Memorandums Number 33 and 48 at <http://infoweb/hr/promem/> for more information.

If you were NOT a DROP participant, you may be rehired, but your retirement benefits may be affected.

If you are re-hired to a position under your former appointing authority, your benefits will cease and you must again become a contributing member of the system. Then, when you re-apply for retirement, your new benefit will be the larger of either your previous benefit including applicable cost-of-living increases or a new benefit calculation which includes the time served and compensation received from the new position.

If you retired after July 21, 1986 and you return to a position covered by any of the Fairfax County Retirement Systems, you will not be able to join any of these systems. Your combined monthly salary and retirement benefits may not total more than the then current maximum monthly salary for a Deputy County Executive, Grade E-14. If necessary, your retirement benefits will be reduced to keep your combined salary and benefits at this level.

If you retired on or before July 21, 1986 you may:

- ◆ continue receiving your benefit, in which case you cannot become a member of the system, or
- ◆ stop receiving your benefit and become a contributing member of the system.

If you continue to receive your benefit it may be adjusted so that your combined salary and benefits do not total more than the then current maximum monthly salary for a Deputy County Executive, Grade E-14.

If you stop receiving your benefit, your retirement benefit will be recalculated when you later terminate employment. Any cost-of-living adjustments made during the time you stopped receiving your benefit as well as compensation and service earned after re-employment will be taken into account.

## **? Will Any Deductions Be Taken Out of My Retirement Benefits?**

Yes, you may request deductions for hospitalization, dental, group life, and Police Association dues, as well a deduction (if any) to the Fairfax County Federal Credit Union. In addition, federal and Virginia state taxes will be withheld from your check unless you choose otherwise. You can change your income tax deduction at anytime.

## **? Can I Continue My Health Insurance Coverage After I Retire?**

Yes, you can continue the coverage you had before you retired, but you will be responsible for paying for the entire premium --- including the part the County had been paying. Currently, regular service retirees, who keep their County health insurance, receive a subsidy toward their County health insurance starting when they turn age 55. The monthly amount of this subsidy is based upon years of service at retirement. Please visit the Retirement Agency Internet site at [www.fairfaxcounty.gov/retbrd/Ret\\_Health\\_Subsidy.pdf](http://www.fairfaxcounty.gov/retbrd/Ret_Health_Subsidy.pdf) for current subsidy amounts.

Service-connected disability retirees receive a monthly health insurance subsidy as well. Surviving spouses are entitled to a subsidy amount based on the member's years of service, and only if the spouse was covered by County health insurance at the time of member's death.

You may reduce the level of your coverage (i.e. from family to individual coverage) or switch to coverage with Medicare at any time during the year. You may increase the level of your coverage outside of open season only if there has been a change in your family circumstances. However, you may change to a *different* health plan only during the open enrollment period held for retirees each year. Information about the health plans that are available will be sent to you at that time. The only exception is if you move outside of the coverage area of your HMO and notify this office that you wish to change to the Blue Cross/Blue Shield Out-of-Area Health Plan within 60 days of your move. If you ever drop your County health insurance you will never be able to sign up for it again unless:

- ◆ your spouse is an active employee and you can enroll through his/her eligibility for coverage; or
- ◆ you are re-employed by the County and can enroll again as an active employee. This coverage may then be maintained when you retire again.

## **? How Do I Appeal a Decision of the Board of Trustees?**

To appeal a decision of the Board of Trustees, simply notify the Retirement Agency in writing of your desire to appeal. They will schedule a time for the Board to hear your appeal. Requests for appeals made after 30 days of the Trustees' decision must show good cause why it was not filed within 30 days.

## ***Summary of Rules and Procedures Governing Disability Retirement***

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Determining a member's eligibility for disability retirement is one of the most difficult tasks facing the Board of Trustees. For this reason, the Board has established certain rules to help ensure that all decisions regarding disability are equitable, made in an objective manner, and made in the best interests of all members of the system.

### **Objectives**

The Board will administer the disability retirement provisions according to several primary objectives. They are:

- ◆ to ensure that those members who truly deserve disability retirement benefits get them;
- ◆ to encourage rehabilitation and retraining of disabled members when appropriate
- ◆ to protect the rights of all members of the system; and
- ◆ to protect the assets of the system's retirement fund.

### **Determining Eligibility for Benefits**

Before you can receive disability benefits you must apply for them. Applications are available from the Retirement Agency.

Before the Board will take action on your application, you must send in a written report from your own physician which describes the



medical condition that supports your disability. The Board will then ask you to be examined by a physician of its choice.

The Board employs a consulting physician whose responsibility is to advise the Board on medical matters. This consulting physician will review the reports of the physicians who examined you to see if there is any substantial difference of opinion. If there is, then a third physician may be selected to examine you and give an opinion regarding your medical condition. The consulting physician's advice to the Board is privileged and confidential.

Once all opinions are in the Board's consulting physician will consult with the Board and explain the medical problems involved and how the opinions of the examining physicians differ.

At the Board's discretion, an investigator may conduct a routine investigation to verify the facts stated in the member's Application for Disability.

## **Understanding Total Service-Connected Disability**

Your benefit with a total service-connected disability retirement is  $66\frac{2}{3}\%$  of your salary on the date of accident or personal injury. This tax-free benefit is reduced by payments you receive from Workers' Compensation. In addition, your retirement benefit may be reduced if you have outside earnings. If your retirement benefits and outside earnings exceed what you would have earned if you had not retired, your benefits will be reduced. Your level of benefits may also be reduced based on completion of a rehabilitation or training program, a periodic medical re-evaluation, or other factors which significantly increase your ability to gain other employment and compensation. This amount may be reduced due to recovery from your disability, even if you do not choose to be re-employed.

*(Fairfax County Ordinances 3-7-28, 3-7-32, 3-7-33, 3-7-34)*

You will continue to accrue service credit, and when you reach your normal retirement date your total disability benefit will change to 60% of the maximum salary for the position from which you retired. These benefits are still tax-free and any benefits you receive from Workers' Compensation will continue to offset your retirement benefit.

*(Fairfax County Ordinance 3-7-28)*

## Understanding Partial Service-Connected Disability

You must apply for Workers' Compensation to be eligible for service-connected partial disability retirement benefits. The Board of Trustees of the Police Officers Retirement System will determine your disability retirement status based upon medical evidence. The Board will determine whether you are totally or partially disabled, and whether the injury or illness was job-related.

*(Fairfax County Ordinances 3-7-28, 3-7-30, 3-7-35, 3-7-36)*

Any member determined by The Board of Trustees to be partially disabled, but who remains employed by the Police Department in a police officer position, will not receive pension benefits until service credit is earned for a normal retirement benefit and the member applies for retirement.

If the Chief of Police determines that there is no suitable police officer position available for you as a partially disabled member, you will then be treated as totally disabled under the provisions of a Total Disability Retirement.

If you are awarded retirement benefit for a partial disability, you are subject to recall to the active service by the Board when a police officer position is available and you are capable of performing as a police officer, as determined by the Chief of Police. If you are recalled to active duty, all retirement benefits cease at that time. The determination of partial disability shall be based upon the medical record and the ability of the member to seek gainful employment in light of education, training, experience, retraining and rehabilitation.

The benefit for a partial service-connected disability retirement is  $66\frac{2}{3}\%$  of your salary as of the date of accident or personal injury. This benefit is tax-free and is reduced by payments you receive from Workers' Compensation. In addition, your retirement benefit may be reduced if you have outside earnings and these earnings exceed your pre-retirement salary. The reduction is dollar for dollar of any excess beyond your pre-retirement salary. Your level of benefits may also be reduced based on completion of a rehabilitation or training program, a periodic medical re-evaluation, or other factors which significantly increase your ability to gain other employment and compensation.

*(Fairfax County Ordinances 3-7-29, 3-7-32, 3-7-33, 3-7-34)*

You will continue to accrue service credit, and once you reach eligibility for normal retirement, your partial disability benefit will be

changed to 60% of the maximum salary for the position from which you retired. These benefits are still tax-free and any benefits you receive from Workers' Compensation will continue to offset your Fairfax County retirement benefit. *(Fairfax County Ordinance 3-7-29)*

## **Provisions Applicable to Total and Partial Disabilities**

Total and partial service-connected disability retirees must accept medical services, vocational rehabilitation, or other employment under the Workers' Compensation Act or face suspension of their Workers' Compensation benefits. If those benefits are suspended, the Board of Trustees has the option to continue calculating the retirement benefit as though the retiree was still receiving those benefits. Benefits may be terminated if a retiree fails to cooperate with Workers' Compensation rehabilitation, vocational or medical requirements.  
*(Fairfax County Ordinance 3-7-33)*

Service-connected disability retirees must undergo medical re-evaluations annually for the first five years and every three years thereafter until the member reaches their normal retirement date.  
*(Fairfax County Ordinance 3-7-33)*

Total and partial service-connected disability retirees who have not yet reached their normal retirement age must send in a copy of their tax returns and W-2 forms each year to verify their outside earnings. Benefits will be reduced to the extent your earnings plus your retirement benefit exceed what you would have earned if you had not retired. *(Fairfax County Ordinance 3-7-34)*

There is an automatic benefit payable to the surviving spouse and children of service-connected disability retirees. If you should die after retirement, your spouse (or eligible surviving handicapped child, if there is no spouse) will receive a monthly death benefit. In addition, each eligible surviving child will receive a monthly benefit up to a maximum monthly family benefit. These monthly amounts are indexed to inflation each year, on July 1. For the specific monthly amounts, please visit [www.fairfaxcounty.gov/retbrd/policeindex.htm](http://www.fairfaxcounty.gov/retbrd/policeindex.htm). The benefit to your surviving spouse continues until your spouse remarries. Surviving unmarried children under age 18 who are not supporting themselves (up to age 23 if they are full-time students) are eligible for the benefit.  
*(Fairfax County Ordinances 3-7-29, 3-7-41, 3-7-42)*

## Administrative Hearings

Administrative hearings may be held at your request or at the request of the Board regarding:

- ◆ whether a disability;
- ◆ whether a disability is total or partial;
- ◆ whether a disability is service-connected;
- ◆ whether rehabilitation or retraining is appropriate; and/or
- ◆ whether a modification, termination or denial of benefits is appropriate.

If you are applying for disability benefits, you will have the burden of proving that you are entitled to them. On the other hand, if the Board is seeking to reduce, terminate, or deny disability benefits that you are already receiving, the Board has the burden of proving that you have failed to comply with appropriate rules and that there is good cause for not continuing the benefits you are receiving. Upon periodic medical re-evaluations, the Board must determine whether you have sufficiently recovered to be engaged in gainful employment and other factors discussed in the following subsection of this manual.

In any event, the hearings are conducted in a manner to give each side the opportunity to fully present its case. After both parties have presented their arguments, the Board will make a decision. If the decision is not in your favor because you did not comply with certain rules and procedures, you will be given a chance to comply with these rules before the decision goes into effect. After the decision has been made, you have 30 days to notify the Board in writing if you wish to appeal their decision.

## Retraining and Rehabilitation

One of the main objectives of the Board in administering the system's disability policy is to encourage the rehabilitation and retraining of disabled members who are capable of pursuing new or related careers. Therefore, while you are disabled, the Board may ask you to be tested and evaluated for determining whether or not a retraining or rehabilitation program would make sense for you.

In determining whether you will be tested and evaluated, the Board will take into account your education, work experience, medical

condition, attitude toward rehabilitation, and your individual needs as well as the need to preserve the assets of the retirement fund. The Board will take the results of the test and evaluation into account, but these results will not be the only factors in recommending a program of rehabilitation.

Before requiring you to take a rehabilitation or retraining program, the Board will do its best to accommodate your individual needs.

For example, you would not be required to take a rehabilitation program:

- ◆ if you will become eligible for normal retirement shortly after applying for disability benefits;
- ◆ if you have skills which would enable you to become employed without having to take a rehabilitation program and your income in the new job would be comparable to the income you were receiving before you became disabled;
- ◆ if the evaluation shows that the prospects of you successfully being retrained and rehabilitated are unlikely.

On the other hand, the Board would generally require retraining when disability payments would continue for a long period of time before service retirement benefits would start. This is especially true where the evaluation shows that you are likely to successfully complete a retraining or rehabilitation program.

In any event, the Board will consider all of the following factors before requiring you to go into a rehabilitation or retraining program:

- ◆ the length of time you will be on disability retirement;
- ◆ your aptitude;
- ◆ your motivation;
- ◆ your other work history
- ◆ the severity of your injury;
- ◆ the likelihood of your employment after retraining or rehabilitation;
- ◆ the cost of retraining or rehabilitation balanced against the savings to the retirement fund;
- ◆ your rank and the duties you have at time of disability
- ◆ the income you would have received if you had not become disabled.

When the Board requires you to undergo a retraining or rehabilitation program, this means the Board believes, that by the time you are finished with the program, you would be able to get a job that has income potential similar to what your income potential would have been if you had not become disabled and continued your career as a police officer.

## **Terminating or Reducing Disability Benefits**

Disability benefits may be terminated or reduced in the following circumstances.

- ◆ If you withhold or misrepresent material facts when you apply for disability benefits.
- ◆ If you refuse to take part in or comply with a retraining or rehabilitation program as required by the Board.
- ◆ If you fail to take prescribed medical treatment which would either eliminate or reduce your disability.
- ◆ If you are found to be in non-compliance with Workers' Compensation's medical or rehabilitation requirements.